



Health Services
LOS ANGELES COUNTY

October 27, 2009

**Los Angeles County
Board of Supervisors**

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Third District

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Fourth District

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Fifth District

TO: Each Supervisor

FROM: John F. Schunhoff, Ph.D.
Interim Director

SUBJECT: **BI-ANNUAL REPORT OF DELEGATED AUTHORITY TO
ENTER INTO HOSPITAL SERVICES AGREEMENTS
WITH HEALTH PLANS**

John F. Schunhoff, Ph.D.
Interim Director

Robert G. Splawn, M.D.
Interim Chief Medical Officer

This is to provide the subject bi-annual report pursuant to your Board approval on October 16, 2007, which approved authority to the Director of Health Services to negotiate and execute hospital services agreements with health plans that provide commercial insurance coverage to employer groups and individuals, Worker's Compensation plans, and Medicare and Medi-Cal health plans. The terms of such hospital service agreements shall be for one year, with automatic annual extensions not to exceed a total of five years.

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The goal of these agreements is to encourage the contracted health plans to direct their members to obtain contracted specialized services at County hospitals. Unique and highly specialized services provided by the Department of Health Services' (DHS) facilities, include acute rehabilitation services, burn care, and certain complex surgical procedures. Since Board approval, there have been two agreements executed with LA Care and Bert Bell for services provided at Rancho Los Amigos National Rehabilitation Center (RLANRC).

*To improve health
through leadership,
service and education*

Through June 30, 2009, RLANRC has seen one inpatient encompassing a total of 14 inpatient days with LA Care. The services provided to this patient generated \$21,294 in reimbursement to the County (see attached).

DHS is currently in contract negotiations with several insurance plans, and the outcome of these negotiations will be included in future reports.

DHS will continue to monitor Managed Care Contract activity on a monthly basis and will provide its next report by January 30, 2010.

If you have any questions or require additional information, please let me know.

JFS:ns (R:/NSTEWART/ManagedCareReport/Managed CareYE)
710:008

Attachment

c: Chief Executive Officer
Acting County Counsel
Executive Officer, Board of Supervisors

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County of Los Angeles - Department of Health Services

**BI-ANNUAL REPORT OF DELEGATED AUTHORITY TO ENTER
INTO HOSPITAL SERVICES AGREEMENTS WITH HEALTH PLANS ⁽¹⁾
As of June 30, 2009**

Health Care Plans	Admissions	Negotiated Revenue ⁽²⁾	Collected Revenue	Uncollected Revenue
LA Care (RLANRC)	1	\$21,294	\$21,294	\$0
Bert Bell (RLANRC)	0	\$0	\$0	\$0
	1	\$21,294	\$21,294	\$0

Source: Rancho Los Amigos National Rehabilitation Center (RLANRC)

Footnotes:

(1) Board approved delegated contract authority to DHS on October 16, 2007.

(2) Negotiated revenue is expected to be at or above the hospital's variable cost per day.